

## Message Text

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ACTION XMB-04

INFO OCT-01 EA-12 ISO-00 EB-08 COME-00 AID-05 TRSE-00

OMB-01 CIAE-00 INR-10 NSAE-00 DODE-00 /041 W

-----008110 090611Z/20

R 080049Z SEP 78

FM AMEMBASSY JAKARTA

TO SECSTATE WASHDC 1277

UNCLAS JAKARTA 12109

STATE PASS TO EXIMBANK

EO 11652: NA

TAGS: EFIN, ID

SUBJ: EAST KALIMANTAN FERTILIZER PLANT

REF: STATE 213222

1. PER REQUEST IN REFTEL, EMBASSY FURNISHES FOLLOWING STATISTICS  
ON FERTILIZER IN INDONESIA.

2. PRESENT AND PROJECTED SUPPLY AND DEMAND SITUATION IN INDO-  
NESIA FOR UREA AND AMMONIUM.

### UREA SUPPLY AND DISTRIBUTION

1975 - 1978 (1000 MT)

1975 1976 1/ 1977 1/ 1978 2/

BEGINNING STOCKS	501	1604	1263	615
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PRODUCTION	403	366	817	1400
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IMPORTS	1412	16	5	-
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TOTAL SUPPLY/DISTRIBUTION	2316	1986	2085	2015
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EXPORTS	-	-	400	400
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FERTILIZER USE	676	686	980	1100
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NON-FERTILIZER USE 3/	20	17	24	45
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LOSSES/UNACCOUNTED 4/	16	10	66	45
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ENDING STOCK	1604	1263	5/ 615	425
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1/ PRELIMINARY

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2/ FORECAST

3/ NON-FERTILIZER USE IS ESTIMATED FIVE PERCENT OF PRODUCTION  
FOR 1975 AND 1976. SUBSEQUENT YEARS ARE ESTIMATED AT THREE  
PERCENT.

4/ LOSSES AT FACTORY AND IN TRANSPORT. IMPROVED BAGGING FACILI-  
TIES AT PUSRI ARE BELIEVED TO HAVE REDUCED LOSSES TO THREE  
PERCENT OF PRODUCTION. PRE-1975 ESTIMATED AT TEN PERCENT.

5/ AGRICULTURE ATTACHE ESTIMATE. OFFICIAL STOCKS REPORTED AT  
1,366,000 MT.

AMMONIUM SULFATE SUPPLY AND DISTRIBUTION

1975 - 1978 (1000 MT)

1975 1976 1/ 1977 2/ 1978 2/

	1975	1976	1977	1978
ESTIMATED BEGINNING STOCKS	292	324	281	247
PRODUCTION	119	75	98	120
IMPORTS	9	6	5	-
TOTAL SUPPLY/DISTRIBUTION	420	405	384	367
FERTILIZE USE	94	122	135	145
LOSSES 3/	2	2	2	2
ESTIMATED ENDING STOCKS	324	281	247	220

	1975	1976	1977	1978
ESTIMATED BEGINNING STOCKS	292	324	281	247
PRODUCTION	119	75	98	120
IMPORTS	9	6	5	-
TOTAL SUPPLY/DISTRIBUTION	420	405	384	367
FERTILIZE USE	94	122	135	145
LOSSES 3/	2	2	2	2
ESTIMATED ENDING STOCKS	324	281	247	220

1/ PRELIMINARY 2/ FORECAST 3/ LOSSES ESTIMATED AT TWO

PERCENT OF PRODUCTION

SOURCE: VARIOUS GOI AGENCIES, P.T. PUSRI AND AGRICULTURE ATTACHE.

3. WHERE AND FOR WHAT PURPOSE WILL EXCESS 500 MT/DAY AMMONIUM BE USED? EXCESS 500 MT/DAY AMMONIUM WILL BE USED AS FOLLOWS:

A) 200 TON/DAY WILL BE SOLD AS FEEDSTOCK TO P.T. PETROKIMIA GRESIK, EAST JAVA, SUBSTITUTING CURRENTLY USED FEEDSTOCK OF HEAVY OIL, WHICH IS MORE EXPENSIVE.  
B) 300 TON/DAY WILL BE EXPORTED TO PHILIPPINES, COVERED UNDER THE PREFERENTIAL TRADING ARRANGEMENT AMONG ASEAN COUNTRIES, WHICH WAS SIGNED IN FEBRUARY 1977. (SOURCE: P.T. UNCLASSIFIED

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PUPUK KALIMANTAN)

4. WILL ALL 1700 MT/DAY UREA PRODUCTION BE USED FOR FERTILIZER INSIDE INDONESIA?

A) "SUBSTANTIAL PORTION" WILL BE USED FOR FERTILIZER IN INDONESIA AND A "SMALL PORTION" WILL BE EXPORTED TO ASEAN COUNTRIES UNDER ASEAN PREFERENTIAL TRADING ARRANGEMENT.  
B) "SOME" UREA WILL BE USED FOR INDUSTRIAL USES IN INDONESIA, AS GLUE IN TEXTILE PLANTS, PLYWOOD PLANTS, FOR INGREDIENTS IN SEASONINGS, FOR MELAMINE HOUSEHOLD WARES SUCH AS PLATES, CUPS, ETC. AND AS MIX FOR CATTLE FODDER.  
(SOURCE P.T. PUPUK KALIMANTAN)

5. WILL ANY AMMONIUM OR UREA PRODUCED AT PLANT SUBSTITUTE FOR IMPORTS FROM US? IN 1976 WHEN INDONESIAN IMPORTS OF AMMONIUM SULFATE (AS) TOTALLED \$962,000, NONE CAME FROM USA. IN 1977 WHEN TOTAL AS IMPORTS WERE \$22,000, USA SUPPLIED \$1,075. IN 1976 WHEN INDONESIAN IMPORTS OF UREA TOTALLED \$3.28 MILLION, USA SUPPLIED \$3,884. IN 1977 WHEN TOTAL UREA IMPORTS WERE \$4.51 MILLION, NONE CAME FROM USA (SOURCE: GOI CENTRAL BUREAU OF STATISTICS).

MASTERS

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NNN

## Message Attributes

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**Concepts:** FERTILIZERS  
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**Decaption Note:**  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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